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SANDLER, KELLER & YOUNG, P.C.

2010 SEP 29 PM 3:17

OFFICE OF GENERAL
COUNSEL

September 29, 2010

RECEIVED
2010 SEP 29 PM 2:47
FEC MAIL CENTER

Christopher Hughey, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

MUR # 6386

Re: Complaint Against Steve Fincher for Congress

Dear Mr. Hughey:

On behalf of our client, Herron for Congress, we are writing to file a complaint, in accordance with the Federal Election Commission's rules, against Steve Fincher for Congress and Phyllis Patterson, as Treasurer, for blatantly violating the Federal Election Campaign Act of 1971, as amended (the "Act"), and the Commission's rules, by failing to report a bank loan to the campaign.

In summary, Mr. Fincher stated on his pre-primary report to the Commission that he had made a quarter million loan to himself from his own *personal* funds, on July 8, 2010. Yet, Mr. Fincher stated on his personal financial disclosure form for that period, filed under the Ethics in Government Act, that he had *no* personal financial assets. And the officer of a bank stated in a press account that the bank was the source of the loan reported to the Commission. The Fincher Campaign, however, did not report this bank loan at all on its filings with the FEC—a serious violation of the law.

1. Parties

Steve Fincher for Congress (the "Fincher Campaign"), the Respondent, is the authorized committee of Stephen Fincher, the Republican nominee for U.S. House of Representatives for the 8th Congressional District of Tennessee. The address of the Fincher Campaign is P.O. Box 11153, Jackson, TN 38308.

Herron for Congress, the Complainant, is the authorized committee of Roy Herron, the Democratic nominee for U.S. House of Representatives for the 8th Congressional District of Tennessee. The address of Herron for Congress is P.O. Box 5, Dresden, TN 38225.

2. Factual Background

On July 23, 2010, the Fincher Campaign filed with the Commission the Campaign's pre-primary election report, covering the period July 1, 2010 through July 16, 2010. That report disclosed a loan of \$250,000 made to the Campaign on July 8, 2010. The loan was reported on Line 13(a) as having been made or guaranteed personally by the candidate. On Schedule C to this report, the Campaign reported the loan source as being "Personal Funds," with no due date and no interest rate. (A copy of the relevant pages of that report is attached hereto as Exhibit A).

Mr. Fincher has filed two personal financial disclosure reports with the Clerk of the U.S. House, pursuant to the Ethics in Government Act of 1978. The first report was filed on October 29, 2009, covering calendar year 2009 up to September 29, 2009; and the second report was filed on May 17, 2010, covering January 1, 2009 through May 15, 2010. These reports showed no personal financial assets of Mr. Fincher, *at all*—no bank accounts, no stocks, no bonds, no certificates of deposit. The only asset of any kind disclosed was Mr. Fincher's farm. (The second report is attached hereto as Exhibit B).

Clearly, it seems impossible that Mr. Fincher had \$250,000 in cash available to loan to his campaign on July 8, 2010 yet had no personal funds at all, of any kind, at any time in 2010 through at least May 15. An Associated Press article on August 27, 2010 (attached hereto as Exhibit C) reported that "Warren Nunn, chairman of the Gates Banking and Trust Co., said his bank was the source of the loan to Fincher, a longtime customer. 'We did advance Stephen a loan,' Nunn said. . . . Nunn, who has given the Fincher campaign \$4,800, declined to say what kind of collateral Fincher put up for the loan" (emphasis added).

3. Legal Violations

Under the Act and the Commission's rules, any loan from a bank to a federal political committee must be publicly disclosed on the reports filed with the Commission on Schedule C, including the name of the bank, date and amount of the loan, interest rate, the collateral securing the loan; and submitted with Schedule C must be a certification from the bank and copy of the loan agreement with the bank. 2 U.S.C. § 434(b)(3)(E); 11 C.F.R. §§104.3(d)(i) & (2).

The bank official stated publicly, and Mr. Fincher's financial disclosure reports suggest that, the source of the \$250,000 loan made to the Campaign on July 8, 2010 was not Mr. Fincher's personal funds, but rather the Gates Banking & Trust Company. If that

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is the case, then the Fincher Campaign has clearly violated the Act and the Commission's rules by failing to report the bank loan, failing to disclose the terms of that loan and failing to file a copy of the loan agreement with the bank.

Because the Fincher Campaign unlawfully failed to disclose the terms of the bank loan, including the nature and amount of any collateral for the loan, it is impossible to determine whether any collateral was in fact furnished as security for the loan. As noted, in the Associated Press article (Exhibit C hereto), the bank official, Mr. Nunn, declined to say if Mr. Fincher or his campaign put up any collateral.

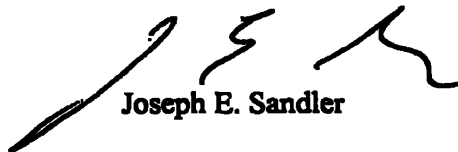
If no collateral at all was furnished, then such failure would constitute an additional violation of the Act and the Commission's rules. Under the Act and the Commission's rules, direct contributions by corporations—including banks—to a candidate for federal office are strictly prohibited. 2 U.S.C. §441b(a). A legitimate loan to a campaign from a bank is exempt from this prohibition, but to be considered legitimate, a loan must be made on a "basis which assures repayment." 2 U.S.C. §431(8)(B)(viii). Under the Commission's rules, that means the loan must be secured by collateral owned by the candidate or campaign—either property or future contribution receipts—and that security interest must be "perfected" by a filing with the appropriate authority, in this case the Tennessee Secretary of State. 11 C.F.R. §§100.82(e)(1) & (2). The Herron Campaign has been unable to find any UCC security statement on file with the Tennessee Secretary of State indicating that the Gate Bank took any security interest in any collateral in respect of this loan.

If indeed the loan from Gate Bank was made without any security interest in collateral put up by Mr. Fincher or his campaign, then the Bank has made, and the Fincher Campaign accepted, a quarter million dollar illegal corporate contribution.

4. Conclusion

For the reasons set forth above, the Commission should find reason to believe that that Steve Fincher for Congress has violated the Act and the Commission's regulations, and conduct an investigation.

Respectfully submitted,



Joseph E. Sandler

11044302063

Subscribed and sworn to before me this 29 day of September 2010.

Mary F. Vincent

Notary Public

MARY F. VINCENT
Notary Public, District of Columbia
My Commission Expires March 31, 2013

My commission expires: March 31, 2013

11044302064

Exhibit A

11044302065

**FEC
FORM 3****REPORT OF RECEIPTS
AND DISBURSEMENTS**

For An Authorized Committee

Office Use Only

1. NAME OF COMMITTEE (in full) **USE FEC MAILING LABEL OR TYPE OR PRINT** Example: If typing, type over the lines

Steve Fincher for Congress

ADDRESS (number and street)

PO Box 11153



Check if different than previously reported. (ACC)

Jackson

TN

38308

2. FEC IDENTIFICATION NUMBER

CITY

STATE

ZIP CODE

STATE DISTRICT

C00466854

3. IS THIS REPORT



NEW (N)

OR



AMENDED (A)

TN

08

4. TYPE OF REPORT (Choose One)

(a) Quarterly Reports:



April 15 Quarterly Report (Q1)



July 15 Quarterly Report (Q2)



October 15 Quarterly Report (Q3)



January 31 Year-End Report (YE)



Termination Report (TER)

(b) 12-Day PRE-Election Report for the:



Primary (12P)



General (12G)



Runoff (12R)



Contest (12C)



Special (12S)

Election on

08

05

2010

In the State of

TN

(c) 30-Day POST-Election Report for the:



General (30G)



Runoff (30R)



Special (30S)

Election on

In the State of

5. Covering Period

07

Q1

2010

through

07

16

2010

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer

Phyllis Patterson

Signature of Treasurer

Electronically Filed by Phyllis Patterson

Date

07

23

2010

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. 437g.

Office
Use
Only**FEC FORM 3**
(Revised 02/2003)

FES/ND18

11044302066

SUMMARY PAGE

of Receipts and Disbursements

2 / 27

FEC Form 3 (Revised 02/2003)

Write or Type Committee Name

Steve Fincher for Congress

Report Covering the Period:

From:

MM
07DD
01YYYY
2010

To:

MM
07DD
16YYYY
2010

| | COLUMN A This Period | COLUMN B Election Cycle-to-Date |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------|
| 6. Net Contributions (other than loans) | | |
| (a) Total Contributions (other than loans) (from Line 11(a))..... | 22195.00 | 1262627.01 |
| (b) Total Contribution Refunds (from Line 20(b))..... | 200.00 | 29423.24 |
| (c) Net Contributions (other than loans) (subtract Line 6(b) from Line 6(a))..... | 21995.00 | 1233203.77 |
| 7. Net Operating Expenditures | | |
| (a) Total Operating Expenditures (from Line 17)..... | 257260.54 | 1066821.17 |
| (b) Total Offsets to Operating Expenditures (from Line 14)..... | 0.00 | 15.00 |
| (c) Net Operating Expenditures (subtract Line 7(b) from Line 7(a))..... | 257260.54 | 1066806.17 |
| 8. Cash on Hand at Close of Reporting Period (from Line 27)..... | 421448.70 | |
| 9. Debts and Obligations Owed TO the Committee (itemize all on Schedule C and/or Schedule D)..... | 0.00 | |
| 10. Debts and Obligations Owed BY the Committee (itemize all on Schedule C and/or Schedule D)..... | 250000.00 | |

For further information contact:

Federal Election Commission
999 E Street, NW
Washington, DC 20463
Toll Free 800-424-9530
Local 202-694-1100

DETAILED SUMMARY PAGE of Receipts

FEC Form 3 (Revised 12/2003)

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Write or Type Committee Name
Steve Fincher for Congress

Report Covering the Period:

From:

MM
07DD
01YYYY
2010

To:

MM
07DD
18YYYY
2010**I RECEIPTS**

COLUMN A
Total This Period

COLUMN B
Election Cycle-to-Date

11. CONTRIBUTIONS (other than loans) FROM:

(a) Individuals/Persons Other Than
Political Committees
(i) Itemized (use Schedule A).....

17150.00

1105473.14

(ii) Unitemized.....

5045.00

82112.17

(iii) TOTAL of contributions

22195.00

1187585.31

from individuals..... ▶

(b) Political Party Committees.....

0.00

0.00

(c) Other Political Committees
(such as PACS).....

0.00

75041.70

(d) The Candidate.....

0.00

0.00

(e) TOTAL CONTRIBUTIONS

(other than loans)

22195.00

1262627.01

(add Lines 11(a)(iii), (b), (c), and (d))

**12. TRANSFERS FROM OTHER
AUTHORIZED COMMITTEES.....**

0.00

0.00

13. LOANS(a) Made or Guaranteed by the
Candidate.....

250000.00

250000.00

(b) All Other Loans.....

0.00

0.00

(c) TOTAL LOANS

250000.00

250000.00

(add Lines 13(a) and (b)).....

**14. OFFSETS TO OPERATING
EXPENDITURES
(Refunds, Rebates, etc.).....**

0.00

15.00

**15. OTHER RECEIPTS
(Dividends, Interest, etc.).....**

0.00

5051.10

**16. TOTAL RECEIPTS (add Lines
11(e), 12, 13(c), 14, and 15)
(Carry Total to Line 24, page 4)..... ▶**

272195.00

1517693.11

DETAILED SUMMARY PAGE of Disbursements

FEC Form 3 (Revised 02/2003)

4 / 27

II. DISBURSEMENTS
COLUMN A
Total This Period

COLUMN B
Election Cycle-to-Date

17. OPERATING EXPENDITURES.....

257260.54

1066821.17

18. TRANSFERS TO OTHER
AUTHORIZED COMMITTEES.....

0.00

0.00

19. LOAN REPAYMENTS:

(a) Of Loans Made or Guaranteed
by the Candidate.....

0.00

0.00

(b) Of all Other Loans.....

0.00

0.00

(c) TOTAL LOAN REPAYMENTS
(add Lines 19(a) and (b)).....

0.00

0.00

20. REFUNDS OF CONTRIBUTIONS TO:

(a) Individuals/Persons Other
Than Political Committees.....

200.00

29423.24

(b) Political Party Committees.....

0.00

0.00

(c) Other Political Committees
(such as PACs).....

0.00

0.00

(d) TOTAL CONTRIBUTION REFUNDS
(add Lines 20(a), (b), and (c)).....

200.00

29423.24

21. OTHER DISBURSEMENTS.....

0.00

0.00

22. TOTAL DISBURSEMENTS
(add Lines 17, 18, 19(c), 20(d), and 21) ▶

257460.54

1096244.41

III. CASH SUMMARY

23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD.....

408714.24

24. TOTAL RECEIPTS THIS PERIOD (from Line 16, page 3).....

272195.00

25. SUBTOTAL (add Line 23 and Line 24).....

678909.24

26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22).....

257460.54

27. CASH ON HAND AT CLOSE OF REPORTING PERIOD
(subtract Line 26 from Line 25).....

421448.70

SCHEDULE C (FEC Form 3)**LOANS**Use separate schedule(s)
for each category of the
Detailed Summary Page

PAGE 27 / 27

FOR LINE NUMBER:
(check only one)☒ 13a
☐ 18bNAME OF COMMITTEE (In Full)
Steve Fincher for Congress

Transaction ID: LS00707.C2341

LOAN SOURCE Full Name (Last, First, Middle Initial)
Steve Fincher - [PERSONAL FUNDS]

Election:

☒ Primary 17
☐ General
☐ Other (specify) ∇

Mailing Address PO Box 11153

City Jackson

State TN

ZIP Code

38308-0119

Original Amount of Loan

Cumulative Payment To Date

Balance Outstanding at Close of This Period

250000.00

0.00

250000.00

TERMS

Date Incurred

Date Due

Interest Rate

Secured:

MAY
0708
082010
2010

20100707

.0000

% (apr)

☐ Yes ☒ No**List All Endorsers or Guarantors (if any) to Loan Source**

Full Name (Last, First, Middle Initial)

Name of Employer

Mailing Address

Occupation

City

State

ZIP Code

Amount
Guaranteed
Outstanding:

Full Name (Last, First, Middle Initial)

Name of Employer

Mailing Address

Occupation

City

State

ZIP Code

Amount
Guaranteed
Outstanding:

Full Name (Last, First, Middle Initial)

Name of Employer

Mailing Address

Occupation

City

State

ZIP Code

Amount
Guaranteed
Outstanding:

Full Name (Last, First, Middle Initial)

Name of Employer

Mailing Address

Occupation

City

State

ZIP Code

Amount
Guaranteed
Outstanding:

SUBTOTALS This Period This Page (optional)

250000.00

TOTALS This Period (last page in this line only)

250000.00

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

Exhibit B

11044302071

UNITED STATES HOUSE OF REPRESENTATIVES FINANCIAL DISCLOSURE STATEMENT

FORM B

For use by candidate and new employees

Period covered: January 1, 1998 - May 15, 2000

Name: Stephen Lee Finkler

Daytime Telephone: 731-676-3555

LEGISLATIVE RESOURCE CENTER

2010 MAY 26 PM 4:08

MAY 17 2010

(Office Use Only)

| | | | | | |
|--------------|--------------------------------------------------------------------------------|---------------------|--------------------------------------|---------------------------------------------|-------------------------------------------------------------------------------------|
| Filer Status | <input checked="" type="checkbox"/> Candidate for the House of Representatives | State: <u>TX</u> | Date of Election: <u>Aug 5, 2000</u> | Check if Amendment <input type="checkbox"/> | A \$300 penalty shall be assessed against anybody who files more than 30 days late. |
| | <input type="checkbox"/> New officer or employee | District: <u>14</u> | Employing Office: _____ | | |

In all sections, please type or print clearly in black ink.

PRELIMINARY INFORMATION - ANSWER EACH OF THESE QUESTIONS

| | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------|
| I. Did you or your spouse have "unearned" income (e.g., salary or fees) of \$200 or more from any source in the reporting period? If yes, complete and attach Schedule I. | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | IV. Did you hold any reportable positions on or before the date of filing in the current calendar year or in the prior two years? If yes, complete and attach Schedule IV. | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| II. Did you, your spouse, or a dependent child receive "unearned" income of more than \$200 in the reporting period or hold any reportable asset worth more than \$1,000 at the end of the period? If yes, complete and attach Schedule II. | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | V. Did you have any reportable agreement or arrangement with an outside entity? If yes, complete and attach Schedule V. | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| III. Did you, your spouse, or a dependent child have any reportable liability (more than \$10,000) during the reporting period? If yes, complete and attach Schedule III. | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | VI. Did you receive compensation of more than \$5,000 from a single source in the two prior years? If yes, complete and attach Schedule VI. | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

Each question in this part must be answered and the appropriate schedule attached for each "Yes" response.

EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION - ANSWER EACH OF THESE QUESTIONS

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|
| TRUSTS—Details regarding "Qualified Blind Trust" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or a dependent child? (See Instructions, page 6.) | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| EXEMPTION—Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption? Do not answer "yes" unless you have first consulted with the Committee on Standards of Official Conduct. | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

26020374011

Name Stephen Lee Finkler Page 2 of 4

List the source, type and amount of earned income from any source (other than the filer's current employment by the U.S. Government) totaling \$200 or more during the preceding calendar year. For a spouse, list the source and amount of any honoraria; list only the source for other spouse earned income exceeding \$1,000. See examples below.
Exclude: Military pay (such as National Guard or Reserve pay), federal retirement programs, and benefits received under the Social Security Act.

| Source (include date of receipt for payments) | | Type | Amount | |
|------------------------------------------------------|-----|--------------------|------------------------|----------------|
| | | | Current Year to Filing | Preceding Year |
| XYZ Corporation, Houston, Texas | XYZ | Salary | \$8,200 | \$28,450 |
| Fred Sharp & Trust, Houston, Texas | XYZ | Director's Fee | \$400 | \$3,200 |
| XYZ Trade Association, Chicago, IL (Paid December 2) | XYZ | Honorarium | 0 | \$1,000 |
| Harris County, Texas Public Records | XYZ | Spouse Salary | NA | NA |
| Stephan & Lynn Fischer Farms | | Rural Prop Farming | 124,016 | 59,245 |

This page may be copied if more space is required.

11044302073

SCHEDULE II - ASSETS AND "UNEARNED" INCOME

Name Stephen Lee Fisher Page 14

| BLOCK A Asset and/or Income Source | | BLOCK B Value of Asset | | BLOCK C Type of Income | | BLOCK D Amount of Income | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <p>Identify (a) each asset held for investment or production of income with a fair market value exceeding \$1,000 at the end of the reporting period, and (b) any other asset or source of income which generated more than \$200 in "unearned" income during the year. For rental property or land, provide a complete address, provide full names of stocks and mutual funds (do not use their symbols). For all IRAs and other retirement plans (such as 401(k) plans) that are not directed (i.e., plans in which you have the power, even if not exercised, to select the specific investments), provide the value and income information on each asset in the account that exceeds the reporting threshold. For retirement plans that are not self-directed, name the institution holding the account and its value at the end of the reporting period. For an active business that is not publicly traded, state the name of the business, the nature of its activities, and its geographic location in Block A. For additional information, see the instruction booklet.</p> <p>Exclude: Your personal residence (unless there is rental income); any debt owed to you by your spouse, or by you or your spouse's child, parent, or sibling; any deposits totaling \$5,000 or less in personal savings accounts; and any financial interest in or income derived from U.S. Government retirement programs.</p> <p>If you so choose, you may indicate that an asset or income source is that of your spouse (SP) or dependent child (DC) or is jointly held (JT), in the optional column on the far left.</p> | | <p>Indicate value of asset at close of reporting year. If you use a valuation method other than fair market value, please specify the method used.</p> <p>If an asset was sold during the reporting year and is included only because it generated income, the value should be "None."</p> | | <p>Check all columns that apply. For retirement plans or accounts that do not allow you to choose specific investments, you may write "N/A." For all other assets including all IRAs, indicate the type of income by checking the appropriate box below. Dividends and interest, even if reinvested, should be listed as income. Check "None" if asset did not generate any income during calendar year.</p> | | <p>For retirement plans or accounts that do not allow you to choose specific investments, you may write "N/A" for income. For all other assets, including all IRAs, indicate the category of income by checking the appropriate box below. Dividends and interest, even if reinvested, should be listed as income. Check "None" if no income was earned or generated.</p> | |
| | None | A None | | | | | |
| | \$1,001 - \$15,000 | B None | | | | | |
| | \$15,001 - \$50,000 | C None | | | | | |
| | \$50,001 - \$100,000 | D None | | | | | |
| | \$100,001 - \$250,000 | E None | | | | | |
| | \$250,001 - \$500,000 | F None | | | | | |
| | \$500,001 - \$1,000,000 | G None | | | | | |
| | \$1,000,001 - \$5,000,000 | H None | | | | | |
| | \$5,000,001 - \$25,000,000 | I None | | | | | |
| | \$25,000,001 - \$50,000,000 | J None | | | | | |
| | Over \$50,000,000 | K None | | | | | |
| | NONE | L None | | | | | |
| | DIVIDENDS | M None | | | | | |
| | RENT | N None | | | | | |
| | INTEREST | O None | | | | | |
| | CAPITAL GAINS | P None | | | | | |
| | EXPENSES AND TRUST | Q None | | | | | |
| | Other Type of Income (Specify: For Example, Partnership Income or Farm Income) | R None | | | | | |
| | Royalties | S None | | | | | |
| | For-Feet | T None | | | | | |
| | | U None | | | | | |
| | | V None | | | | | |
| | | W None | | | | | |
| | | X None | | | | | |
| | | Y None | | | | | |
| | | Z None | | | | | |
| | | AA None | | | | | |
| | | AB None | | | | | |
| | | AC None | | | | | |
| | | AD None | | | | | |
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| | | BK None | | | | | |
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| | | BO None | | | | | |
| | | BP None | | | | | |
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| | | CF None | | | | | |
| | | CG None | | | | | |
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| | | CJ None | | | | | |
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| | | CM None | | | | | |
| | | CN None | | | | | |
| | | CO None | | | | | |
| | | CP None | | | | | |
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| | | DC None | | | | | |
| | | DD None | | | | | |
| | | DE None | | | | | |
| | | DF None | | | | | |
| | | DG None | | | | | |
| | | DH None | | | | | |
| | | DI None | | | | | |
| | | DJ None | | | | | |
| | | DK None | | | | | |
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| | | HJ None | | | | | |

Name Stephen Lee Fischer Page 4 of 4

Report liabilities of over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent child. Mark the highest amount owed during the reporting period. Exclude: Any mortgage on your personal residence (unless there is rental income); loans secured by automobiles, household furniture, or appliances; liabilities of a business in which you own an interest; and liabilities owed to a spouse, or the child, parent, or sibling of you or your spouse. Report revolving charge accounts (i.e., credit cards) only if the balance at the close of the previous calendar year exceeded \$10,000.

[illegible]

Report all positions, compensated or uncompensated, held on or before the date of filing during the current calendar year and in the two prior years as an officer, director, trustee of an organization, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States.

Exclude: Positions listed on Schedule I; positions held in any religious, social, fraternal, or political entities (such as a political party or campaign organization); and positions solely of an honorary nature.

| Position | Name of Organization |
|------------|------------------------------|
| Proprietor | Stephen & Lynn Fischer Farms |
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Use additional sheets if more space is required.

Exhibit C

4

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Dem lawyer questions Fincher's disclosure to House

BEN EVANS, Associated Press Writers, ERIK SCHELZIG, Associated Press Writers

(Aug 27, 2010)

NASHVILLE, Tenn. (AP) — A prominent Democratic lawyer is asking federal prosecutors to investigate whether Republican congressional candidate Stephen Fincher omitted debts and assets in financial disclosures maintained by the U.S. House.

The Fincher campaign dismissed the allegations brought by Covington attorney J. Houston Gordon, a former state Democratic Party chairman, as a political stunt on behalf of Roy Herron, the Democratic nominee in the open 8th District race in northwestern Tennessee.

"Stephen Fincher filled out all required disclosure forms honestly and in good faith," Paul Ciaramitaro, Fincher's deputy campaign manager, said in an e-mail. "Roy Herron's camp is using one of his political hatchet-men to gin up a sideshow."

Fincher in the disclosure statements said his only assets were about \$60,000 in farm income last year and another \$124,000 through May of this year. That led Gordon to question how Fincher could round up \$250,000 to lend his campaign in the closing weeks of the tumultuous GOP primary.

"Mr. Fincher indicated that he and his spouse have no liquid assets of any kind — no checking accounts, no savings accounts, no money market accounts, no stocks, no bonds," Gordon said in a letter sent this week to the U.S. attorney in Memphis.

"It seems somewhat improbable that Mr. Fincher can loan his campaign a quarter million dollars in July 2010 without having any money in any bank account," he said.

Warren Nunn, chairman of the Gates Banking and Trust Co., said his bank was the source of the loan to Fincher, a longtime customer.

"We did advance Stephen a loan," Nunn said. "Stephen's always handled his business satisfactorily, we've never had any problems. I wish we had more like him."

Nunn, who has given the Fincher campaign \$4,800, declined to say what kind of collateral Fincher put up for the loan, and the campaign didn't immediately respond to questions about the terms of the loan.

Melanie Sloan, executive director of the watchdog group Citizens for Responsibility and Ethics in Washington, said it is highly unusual that Fincher has reported no assets.

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Candidates are required to report most types of income and assets, although personal homes and non-interest bearing checking accounts are excluded.

"It's impossible to know, but in modern life it would be unbelievably rare for somebody to have no accounts, not a single savings account," she said.

Herron's financial disclosure statement is far more detailed. Herron, who has also loaned his campaign \$250,000, disclosed \$564,021 in income from his Dresden law practice last year, plus another \$28,654 from his legislative work.

Herron also lists 27 assets and areas of income, including retirement and investment accounts, a rental home in Nashville and Herron Farms Inc.

Fincher's disclosures also don't list any liabilities, though Gordon in his letter cited filings with the Tennessee Department of State that show he co-signed for \$416,626 worth of loans in the last two years, and had another \$748,094 worth of secured debt outstanding in 2008.

The congressional disclosures allow candidates to exclude liabilities by businesses, and the state filings show that Fincher's debts — while in his personal name — include farm machines like tractors, plows and cutters.

The House ethics office, which oversees the disclosures, declined to comment about whether Fincher should have included the liabilities on the form.

Sloan, of the CREW watchdog group, said she doesn't see anything wrong with that part of Fincher's disclosure, saying the complaint looks more like a political gambit by Fincher's opponents.

"It's obviously for his business, and the rule says filers need not report liabilities of a business," she said. "He has a really good-faith argument that he filed it all correctly."

Even if there is a violation, she said, it's probably just a technical error that would almost certainly not be prosecuted or investigated by the House ethics committee.

"To have a prosecutable violation you have to have a willful, intentional failure to disclose," she said. "You have to be trying to hide something. I don't know what evidence they think they have of that."